

New Living Cost Highs Forecast

(Continued from Page A-1)

15. Except in defense industries, I look for an abrupt switch during 1967 from a business policy of inventory accumulation to one of inventory liquidation.

16. I forecast that scarcity of credit will continue to be a problem with which business must contend in the early part of 1967. The money managers should keep enough credit available for legitimate business needs, but I expect no early radical easing of credit.

17. However, I do foresee enough of an easing in credit to permit more orderly monetary conditions. If the economic situation falters badly, money rates will, of course, move downward sharply.

18. I predict that commercial and industrial building will trend lower in 1967, reflecting the tapering off in capital outlays.

19. Mortgage money should remain scarce in 1967. Hence, residential building should see another disappointing year.

20. 1967 opens with the building of single homes in a state of crisis. Starts are down over 90 per cent from year-earlier levels. As a result, I forecast that the Administration will leave no stone unturned to stimulate construction of houses as soon as possible. At best, however, it may be midway or after before this important part of our economy can contribute much strength to over-all business.

21. Although new housing starts may remain in the doldrums for most of 1967, I confidently forecast that the year will see the beginning of a great boom in the construction of new, modern nursing homes.

22. Despite President Johnson's request for cutbacks, public construction should enjoy a fairly good year; the emphasis will be on bridges, dams, and water and sewer systems.

23. The expected declines in residential building and in commercial and industrial building notwithstanding, I forecast that waterfront property will remain a good inflation hedge.

24. Labor stands at the crossroads as the new year opens. Things never looked better for scaling down real wage and fringe gains; however, neither the public nor the Congress is in any mood to tolerate long, costly, and inconvenient shutdowns. I freely predict that there is more likelihood in 1967 of restrictive labor legislation than at any time since Taft-Hartley was put on the books. Union chiefs are aware of this, and they may act with more strike restraint than most people now expect.

25. 1967 promises to be a year in which many management will be fighting a "rear-guard" action to control climbing labor costs. The defense activities will be wielding the paring knife. I forecast that the net result will be a rise in unemployment next year.

26. I do not look for price and wage controls in 1967, unless our defense expenditures rise far above what is now contemplated.

27. An encouraging aspect of the 1967 outlook is the affluence of consumers. I forecast a further upward trend in personal incomes, due to higher wage rates. However, if taxes are raised, take-home pay may not show a rise commensurate with the gain in gross pay.

28. Retail trade held up well in 1966, but there was a note of lethargy throughout the year. The pattern is not expected to show much change in 1967... with gains in dollar volume largely reflecting price inflation. Though consumers will have more money to spend, tight credit, high borrowing costs, and higher price levels could cause some tightening of purse strings.

29. Spending for food, apparel, and general merchandise should be greater in 1967. Also, consumers will devote a goodly portion of their spending budget for leisure activities, vacation, and travel.

30. Durable goods may not fare so well. Demand for home appliances, color TV sets, and furniture may be hampered by tight credit and high borrowing costs, plus the lethargy in new home building.

31. I forecast a decline in new auto sales. However, with the increase in the population of driving age, and open. Things never looked better for scaling down personal income, new car sales could hold within 10 per cent of 1966's.

32. Soaring living costs will hit the headlines more often in 1967. Ire will be directed most strongly at runaway service expenses—especially medical—and at advancing red meat prices.

33. Despite new highs in the cost of living, I predict there will be many signs of deflation in the midst of inflation. Chief among these will be sliding profits, rising bankruptcies and foreclosures.

34. Industrial commodity prices should be firm to slightly higher. Selective price markups will be necessary to offset wage hikes.

35. Profits began to wobble in the final half of 1966. I am convinced that hesitancy will give way to decline during the year ahead. Big squeeze on margins will come from soaring costs, especially labor.

36. But profits results will also vary widely from one company and one industry to another, as sales volumes sag, hold, or advance. For example, I am willing to "stick my neck out" and say that oil companies will enjoy a sales rise, but that the auto makers will be struggling with a volume slump year.

37. The combination of less vigorous business, pinched profit margins, and stringent credit conditions points to an increase in business failures, shaking out the financially weak and inefficient.

38. Collections may be more difficult in 1967 on business accounts, consumer installment and charge accounts, and mortgage debt. I forecast a further rise in non-farm real estate foreclosures.

39. Barring crop failures, I forecast another good farm production year. Farm prices should rule firm to slightly higher in 1967, but higher costs may result in a slight drop in net realized farm income.

40. Nevertheless, farm equipment manufacturers should enjoy good business. Sales of fertilizers and insecticides should post gains.

41. 1967's stock market promises to be one of vicious selectivity. I am expecting the old aristocracy of the blue chips based on past performance to be replaced by a new aristocracy of super-able management based upon hopes of good future performance.

42. I forecast, however, that 1967 will still hold many dangers for the speculator. I urge readers not to borrow money to buy stocks, and I urge investors to buy for growth and basic investment values.

43. The safest kind of long-term bonds are available now at prices affording very close to the highest income returns of the century. It is a good bet that there will not be so many top-grade issues on the bargain counter at the end of 1967. Should the 90th Congress boost income taxes, tax-exempt bonds will put on the best performance.

44. World opinion on the future price of gold has blown hot and cold many times in recent years. Though lately in the shade, I predict that gold will again be in the spotlight before 1967 is out.

45. I forecast that the dollar will not be devalued in 1967, but the pound will continue shaky.

46. Certainly, Congress will become more and more critical of the looting going on under cover of the Administration's War on Poverty. The whole program will be subjected to tighter supervision.

47. As 1967 wears along, the high hopes for more constructive conservation action costs may result in a slight give way to increased doubts as a legislative stalemate develops. Republicans will have enough strength to stop the most liberal Administration bills, but not enough to launch a program of their own.

48. There will be a lot of talk in 1967 about the economy's "still growing." But I warn readers to examine carefully the advance in Gross National Product which I am forecasting here. Biggest part of the increase will come from higher prices and wages.

49. I foresee that a breathing spell in the economy can prove helpful. The prolonged prosperity has bred waste, laxness, and inefficiency. These can be corrected only by a return to fundamentals. Just as the human body requires adequate rest in order to enjoy proper health, so too the economy, and the stock market as well, must undergo periodic resting phases.

50. As the economy cools off in 1967, readers should beware of reassurances that our problems are only temporary and will soon be followed by a decade of boom conditions. The promised land may be only across the river, but it is always wise to test the depth of the water before wading in. This is behind my forecast that 1967 will be a good year for businessmen and investors to have strong confidence for the future, but to proceed with caution and restraint until the uncertainties just ahead have been resolved.



NEW DIRECTORS . . . Newly installed directors of the Torrance Police Officers Association are (seated, from left) Lt. Hyman Fischer and Sgt. Charles Oates and (standing, from left) Officer Thomas Hansaker, Officer Phil Joseph, and Officer Mike Dersham. Joseph has been elected president of the organization and Dersham is the new vice-president. Oates was re-elected secretary.

Police Elect Board

Officer Phil Joseph, one of the five newly elected directors of the Torrance Police Officers Association (TPOA), has been elected president of the association for 1967. Joseph, who joined the Torrance Police Department in November, 1957, is an investigator assigned to the detective division. He is serving his first term as a member of the TPOA board, but has been a member of several committees for the association.

Other new officers are Officer Mike Dersham, vice president; and Sgt. Charles Oates, re-elected secretary of the organization. Officer Thomas Hansaker also was elected to the TPOA board. Remaining members of the board include Sgt. James Popp, a past president of the association; Officer Paul Lembke, treasurer, and Officers David Frawley and James E. Davis.

Lincoln Savings Opens, Rare Photos on Exhibit

A collection of all 119 known photographs of Abraham Lincoln, shown last at the New York World's Fair, will be exhibited at the new Torrance office of Lincoln Savings and Loan Association beginning Tuesday.

The exhibit will be at the temporary office, located at Carson Street and Hawthorne Boulevard, through Jan. 10, according to Owen H. Richelieu Jr., senior vice president and regional manager of the firm.

The exhibit also features a display of rare relics and documents—including Lincoln's stovepipe hat, eyeglasses, and watch—as part of the grand opening festivities marking the arrival of Lincoln Savings in the Torrance area.

The 119 Lincoln photographs are enlarged reproductions of all the known photographs of America's 16th president, taken during the era when cameras first came into use. Many were taken by the famous Civil War era photographer Matthew Brady.

Relics and documents which accompany the exhibit are on loan from The Abraham Lincoln Historical Center in Sherman Oaks. Visitors will receive copies of a popular Lincoln print and other documents, all suitable for framing, and refreshments will be served.

The new office, housed in a temporary facility, will serve as a regional branch office. The firm will occupy permanent facilities in the Del Amo Financial Center.

Obituaries

Vernon Killman

Funeral services for Vernon Killman of 1331 1/2 W. 168th St., will be conducted in Bakersfield, Calif., with Stone and Myers Mortuary in charge of local arrangements.

Mr. Killman, a native of Texas, died Tuesday. He was born Sept. 24, 1912, and had lived in the Torrance area since 1956.

Surviving Mr. Killman are a son, Marvin Dean Killman of Santa Susana, Calif., and a daughter, Verna Fagnant of Gardena.

Thomas Delancey

Funeral services for Thomas Artway Delancey, 69, of 1000 1/2 W. 223rd St., were conducted Friday at Stone and Myers Mortuary Chapel with the Rev. Wesley Steelberg, pastor of the First Assembly of God in Long Beach, officiating.

Mr. Delancey, who had lived in the area for 24 years, was born in Tennessee. He died last Tuesday.

He is survived by his widow, Irene; four daughters, Lois Coleman and Fay Loudermilk of Long Beach, Joan Reese of Wilmington, and Jean Loudermilk of Harbor City; and four sons, Kenneth of San Pedro, Ernest of Torrance, Roy of Gardena, and Kenneth of Atascadero, Calif. Also surviving are 31 grandchildren, a great-grandchild, 4 brothers and 5 sisters.

Bank Promotes Area Resident

The promotion of Larry E. Grant of Harbor City to assistant manager with Security First National Bank's Rosecrans Branch has been announced. He was formerly an administration assistant at a branch near Inglewood.

Grant joined Security as a management trainee in 1964. He attends Harbor College, where he is majoring in business administration and also has studied in the American Institute of Banking program.

Appraiser For Dump Suggested

Torrance councilmen will be asked Tuesday to hire an appraiser as the first step in determining if the city will continue to press plans for a municipal dump.

The City Council's Public Works Committee, which met last Tuesday evening, said the project is "almost completely dependent upon the value of the land involved" and recommended that an appraiser be hired at once to determine the land value.

The committee said financial data for the project is based on an assumed value of \$40,000 per acre and added that if the actual value is much higher, the project "might not be financially feasible."

Plans for the proposed city operated dump, which would be located on a 42-acre, triangular parcel at Del Amo Boulevard and Madonna Street, have been under study for more than a year.

The land would be acquired under a \$2 million tax-exempt bond and revenues would retire the bond during a 20-year period. It has been estimated the city would make about \$2.6 million from the dump operation during the next 20 years. Eventually the land would become a park.

Need for the dump is based on estimates that the county's landfill project on the Palos Verdes Peninsula will be closed in seven years. In such a case, it has been reported, the city would probably have to haul its rubbish to a new dump in the Santa Monica Mountains—at a cost of up to \$2 million during the 20-year life of the proposed city dump.

Councilmen will meet at 5:30 p.m. Tuesday.

Alumni to Meet

Dr. Ernest J. Tarr of Torrance is among some 1,500 persons who will attend the 71st annual scientific meeting of the University of California Dehntal Alumni Association in San Francisco Jan. 8 and 9.

Police

(Continued from Page A-1) get together and compare notes," newsmen were told this week, "but the field officers—sergeants and patrolmen—have little such opportunity."

The exchange, first considered as a possibility with Torrance's sister city of Guatemala City, is designed to give citizens of each community "visual symbols" which will call to their attention the fact that there is in this state an effort to professionalize police departments," Chief Koenig said.

The exchange is scheduled to take place between Feb. 5 and Feb. 22. Selection of the officers from Torrance to be sent to Alameda is scheduled to be made by Chief Koenig in the next 10 days.

College

(Continued from Page A-1) Palos Verdes site could not be obtained with the funds available, however, and the Dominguez Hills site was selected more than a year ago.

First classes in the new campus buildings are currently estimated to begin in September, 1968.



An old-fashioned greeting from the members of our staff... may the season be joyous for you and yours.

THE GARRETT-AIRESEARCH CORPORATION

CORNER SARTORI & EL PRADO

Newberrys DOWNTOWN TORRANCE

DOORBUSTERS 3 BIG DAYS!

SUN. MON. TUES.

YARDAGE BUYS!

OUR BEST BUY!

ASSORTED Cotton Fabrics
36" to 45" wide. Assorted mixed fabrics. Solids, stripes and prints.

VALUES TO **4** yds. **\$1**
79c YD.

ASSORTED Vinyl Upholstery
54" Width. Assorted solid colors.

REG. 4.98 YD. **1.44** YD.

54" WIDTH Upholstery Fabric
Tremendous selection of patterns. Lengths to 20 yds.

VALUES TO **88** yds. **\$1**
2.98 YD.

Save 3.47
CHATHAM'S WASHABLE FLEECY FIBERWOVEN®

BLANKETS

Reg. 4.49 ea. Feather-light, warm rayon and acrylic blend with washable, long-wearing Fiberwoven® high loft Nap-Protek finish. Stock up for the home, for guest-rooms. Rich colors with 5" nylon binding. 72x90.

3 FOR \$10

CORNER SARTORI & EL PRADO

Newberrys DOWNTOWN TORRANCE

